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June 28, 2007

The Fairchild Corp. v. Alcoa, Inc.
CPR File: F-06-22H

Dear Adam:

I write in response to your letter to Evan Chesler dated June 26.

As you are doubtless aware, Section 11.7 of the Acquisition Agreement provides that "[t]he award of the arbitrator shall be final and binding on the parties and judgment upon the award may be entered and enforced in any court having jurisdiction." (Acquisition Agreement, § 11.7.)

The Arbitration Decision and Award is clear. It provides that the "Reserve Account is reduced by $8,450,000 to zero", and that "Alcoa is entitled to receive the amount of $4,005,585.88 from the Escrow Account payable in full within thirty days of the date of this Award". (See Arbitration Decision and Award §§ IX E, F.) The date of the Award was June 21, 2007. (See id. at 1, 22.) The Award further provides that "[a]ll claims and counterclaims not expressly awarded or referred to herein are hereby denied. This Award is in full settlement of all claims and counterclaims submitted in this Arbitration." (Id. at § XV.)

Your suggestion that the Award should now be recalculated based on another provision of the Acquisition Agreement is substantively incorrect and

procedurally improper. Alcoa intends to enforce its right to receive payment of $4,005,585.88 from the Escrow Account promptly.

Very truly yours,

Daniel Slifkin

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BY EMAIL